



January 11, 2005

Brad C. Deutsch, Assistant General Counsel  
Federal Election Commission  
999 E Street NW  
Washington DC 20463

*Notice of Proposed Rulemaking, 69 FR 76626 (December 22, 2004): Payroll Deductions by Member Corporations for Contributions to a Trade Association's Separate Segregated Fund.*

Dear Mr. Deutsch;

The Ohio Bankers League (OBL) supports the Federal Elections Commission proposal permitting corporate members to facilitate contributions to their trade association's separate segregated fund (SSF or PAC) through payroll deduction. Your proposed revisions to 11 CFR 114.2 (f) and 11 CFR.114.8 (e) are well supported by both law and public policy and are consistent with payment trends generally in the economy. We urge you to adopt these amendments and to do so as soon as possible so that trade associations will be on an equal footing with corporations and labor organizations.

The Ohio Bankers League is a non-profit trade association that represents the interests of Ohio's commercial banks, savings banks, savings associations and their holding companies. The OBL has nearly 280 members that include the full spectrum of the financial services industry, from small savings associations that are organized as under mutual ownership or locally owned and operated businesses to large multistate holding companies that have several affiliates and do business from coast to coast. The OBL sponsors an SSF, Ohio Bankers League Political Committee. Only seven of our institutions operate their own PAC however, so the only realistic method for the vast majority of our members and their shareholders, directors and senior officers to participate financially in the political process is to do so through an association PAC.

From a policy perspective, removing the barriers to contributing to an association PAC will increase individual participation in the political process, which has long been a goal of the FEC. The trends reflected in the FEC's own advisory opinions have pointed in this direction. AO 199-35 permits trade associations' SSF to receive PAC contributions via a program that automatically deducts contributions from an executive's personal checking account. Since you have already made this step, the OBL suggests that from a policy and practical perspective, there is no meaningful difference in facilitating contributions through a payroll deduction. Most recently, AO 2003-22 permits member companies to

collect checks and forward employee contributions to association PACs. The current proposal merely extends that collection process to include payroll deduction.

Practically, since the initial prohibition was adopted by the FEC in 1977, payroll deduction has become a generally accepted method for consumers to pay a variety of expenses such as retirement plans, health /life insurance premiums, charitable contributions, loan payments and even club dues. The growth of payroll deduction is consistent with the clear trend in our economy away from paper check toward electronic payment. As payroll deduction developed as a preferred method of payment, the recordkeeping systems have been well-tested and proven to be reliable.

Legally, we can find nothing in the Federal Election Campaign Act (FECA) that prohibits the use of payroll deduction to facilitate the collection of otherwise permissible contributions to an SSF sponsored by a trade association. To the contrary, 2 USC 441 b contemplates that corporations may use any method of soliciting voluntary contributions, or facilitating the making of voluntary contributions. As proposed, the regulations will be entirely consistent with both the requirements and the spirit of the FECA.

Given the requirements of the FECA, clear payment system trends, the proven systems that can accurately track and report contributions via payroll deduction, and the success of similar programs administered by labor organizations and corporations, we believe that the FEC has ample justification and precedent to extend a similar collection method to trade associations. The OBL would urge you to take action soon, so that contributions to trade association SSFs in 2005 can be made via payroll deduction.

Respectfully submitted;

Jeffrey D. Quayle  
Senior Vice President & General Counsel